# LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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## FISCAL IMPACT STATEMENT

**LS 6136 NOTE PREPARED:** Feb 21, 2008 **BILL NUMBER:** HB 1062 **BILL AMENDED:** Feb 21, 2008

**SUBJECT:** Architectural Salvage Material Dealers.

FIRST AUTHOR: Rep. Day

BILL STATUS: CR Adopted - 2<sup>nd</sup> House

FIRST SPONSOR: Sen. Steele

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

DEDICATED FEDERAL

Summary of Legislation: (Amended) This bill:

- (1) prohibits an architectural salvage material dealer (dealer) from purchasing or otherwise obtaining architectural salvage material: (A) from a person who is less than 18 years of age; or (B) that the dealer believes or should have reason to believe is stolen property acquired as a result of a crime;
- (2) requires a dealer to keep a record book that contains certain information concerning architectural salvage material received by the dealer;
- (3) requires a dealer to hold the material for at least five business days if the dealer receives written notice from a law enforcement agency to hold the material;
- (4) allows law enforcement officers to inspect and obtain records from a dealer;
- (5) makes it a Class A infraction for a person to violate a provision of the architectural salvage material dealers law;
- (6) provides that the valuable metal dealers law applies to all ferrous metals and nonferrous metals;
- (7) specifies that a sheriff or deputy authorized by the sheriff in writing may supervise and inspect pawnbrokers, vendors, and certain other merchants who may sell secondhand material; and
- (8) requires the Legislative Council to assign to the Sentencing Policy Study Committee the topic of the theft of salvaged material.

Effective Date: Upon passage; July 1, 2008.

#### **Explanation of State Expenditures:**

**Explanation of State Revenues:** *Penalty Provision*: There are no data available to indicate how many individuals may be convicted of violating a provision of the architectural salvage dealers law.

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If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class A infraction is \$10,000, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$17), the public defense administration fee (\$3), the court administration fee (\$3), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:** (7) Specifying that a sheriff or deputy may supervise and inspect pawnbrokers, vendors, and certain other merchants who may sell secondhand material will increase the time spent on such activities, the impact of which is indeterminable.

Explanation of Local Revenues: Penalty Provision If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

## **State Agencies Affected:**

**Local Agencies Affected:** Trial courts, local law enforcement agencies; County sheriff offices.

### **Information Sources:**

Fiscal Analyst: James Sperlik, 317-232-9866.

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